

FIG. 1

'Rationalisation' Processes.

1. Conduct corporate environment analysis.
2. Conduct corporate SWOT analysis.
3. Evaluate alliance competitive position.
4. Identify and evaluate strategic alliance opportunities.
5. Establish rationale and need for business alliance strategy.
6. Evaluate strategic intent for participating in the alliance.
7. Establish strategic alliance goals and objectives.
8. Conduct search for alliance partner.
9. Evaluate strategic position in the alliance.
10. Establish operational fit with alliance partners.
11. Establish strategic fit with alliance partners.
12. Negotiate 'Satisfactory' alliance benefits payoff.
13. Establish 'Exit' option/clause.

FIG. 2

'Formation' processes.

1. Rationalise plan for upgrading to a 'tight' alliance structure.
2. Rationalise 'operation' and 'strategic' fit for greater 'vertical integration' and 'inter-dependence'.
3. Evaluate degree of 'friendliness' on chemistry fit.
4. Establish 'chemistry' between partner(s).
5. Clarify 'Parents' companies' strategic intent and objectives.
6. Establish 'Parent -Child' relationship with the business alliance and the partner(s).
7. Establish 'Role' of strategic alliance.
8. Propose 'friendly' strategic alliance goals and objectives.
9. Propose alliance business and operational framework.
10. Negotiate framework for the legal, governance, organisation and business structures of the 'friendly' alliance.
11. Negotiate 'friendly' 'Exit' provisions for contingencies and alliance 'failure'.
12. Negotiate 'Win/Win' conditions for partner(s) on alliance strategy, structure and benefits payoff.
13. Evaluate performance of alliance.

FIG. 3

'Failure' Processes.

1. Rationalise plan for acceleration to a 'amalgamated' alliance structure.
2. Rationalise complete 'operation' and 'strategic' fit for 'vertical integration' and 'inter-dependence'.
3. Evaluate merger benefits payoff.
4. Evaluate possibility for 'Takeover',
5. Re-evaluate 'Chemistry' between partner(s).
6. Attempt takeover bid for strategic alliance.
7. Exercise 'Exit' options in the event of losing 'control'.
8. Re-establish merger business and operational framework.
9. Re-establish partners 'Role' to improve performance of merger.
10. Re-establish degree of 'Chemistry' of partner(s).
11. Negotiate framework for the legal, governance, organisation and business structures of the 'Hostile' merger.

FIG. 4

Stages	Strategy	Structure	Performance
[1]. Rationalisation	Passive	Loose	Poor - Satisfactory
[2]. Formation	Friendly	Tight	Satisfactory - Excellent
[3]. Failure	Hostile	Amalgamated	Less than Excellent

FIG. 5

FIG. 6

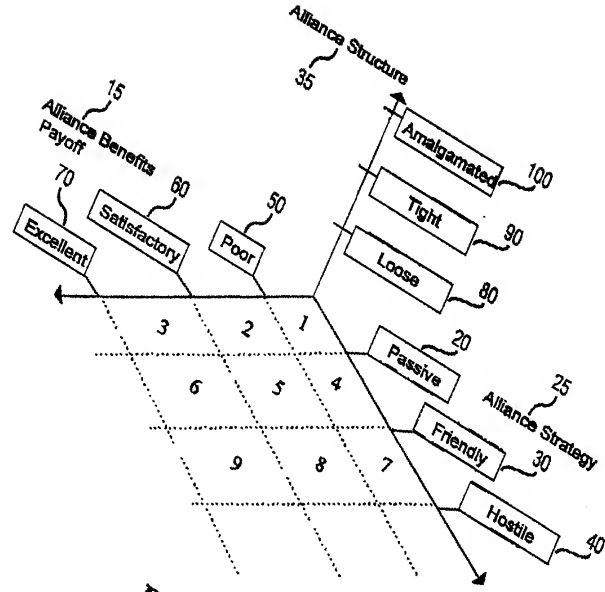


FIG. 6

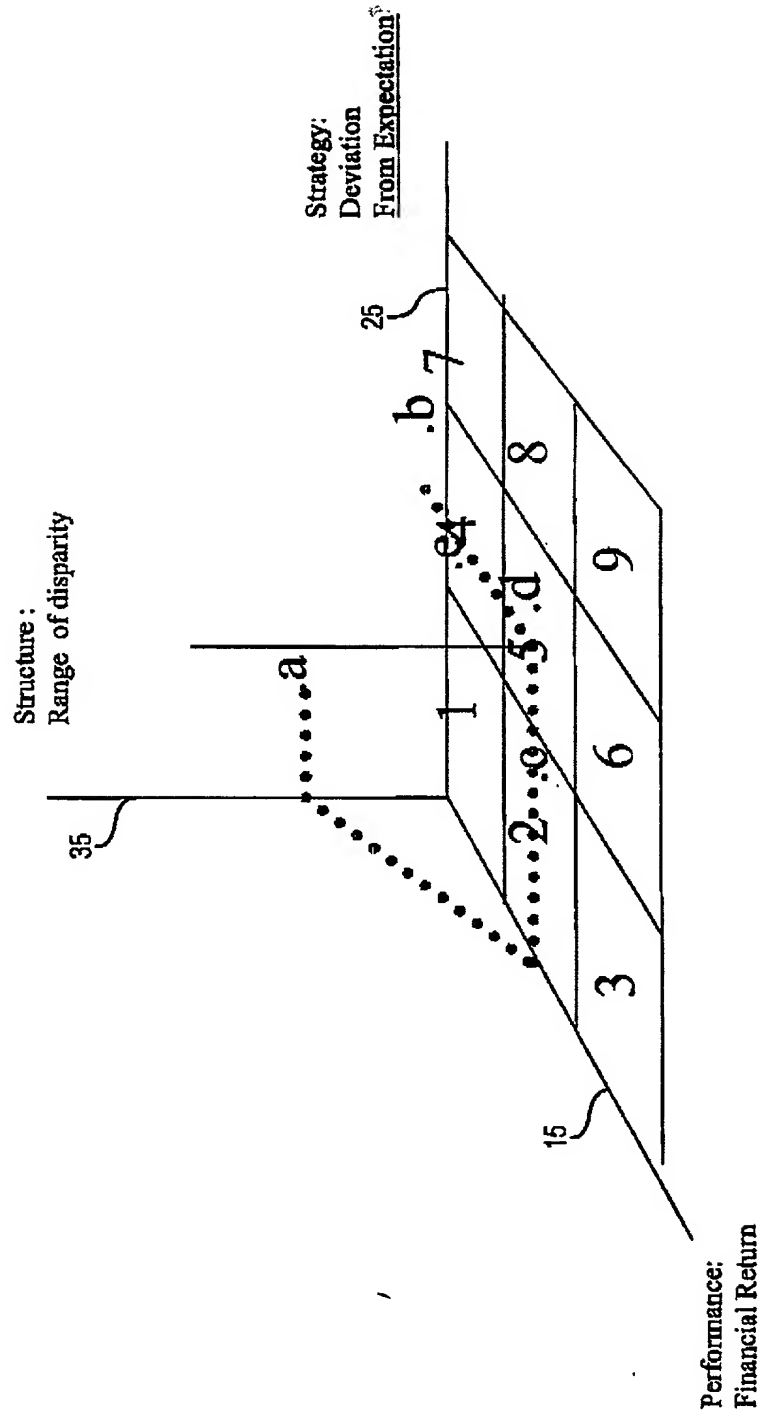


FIG. 7

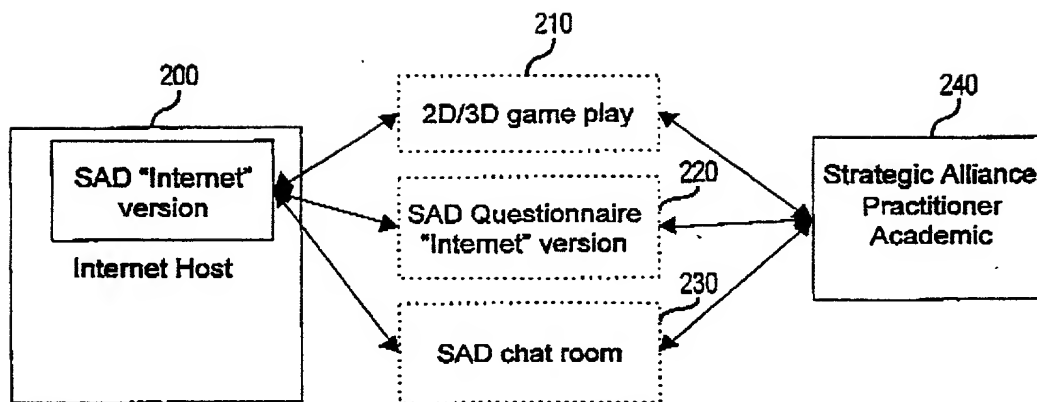


FIG. 8